

IN THE CHANCERY COURT OF HICKMAN COUNTY, TENNESSEE

KEVIN P. LAVENDER, In his official)	
capacity as Commissioner-In-)	
Possession of Sentinel Trust Company)	
and Receivership Management, Inc.,)	
Receiver of Sentinel Trust Company,)	
)	
Plaintiffs,)	No. 4980
)	
v.)	
)	
)	
)	
DANNY N. BATES, et al.,)	
)	
Defendants.)	
)	

PLAINTIFFS' MOTION FOR EMERGENCY ORDER OF COURT
PROHIBITING DEFENDANTS DANNY BATES AND DEANNA JUNE BATES
FROM DISPOSING, TRANSFERRING OR FURTHER ENCUMBERING
PROPERTY

I. Introduction

For the reasons set forth, Plaintiffs request an Order of Court immediately issue prohibiting Danny Bates and Deanna June Bates (as individuals or in whatever other capacity -- e.g., trustee of the supposed "Bates Family Trust") from taking any action or in any way assisting in the disposing, transferring or further encumbering of any of the properties found in the Court's April 7, 2010 to have been fraudulently transferred.

II. Relevant Facts

On April 7, 2010, the Court entered an order which found that:

The following real estate transactions/transfers from Danny R. Bates are hereby SET ASIDE and held for naught as fraudulent:

(A) The transfer on April 23, 2004 of the 205 Bastin Road Property to Deanna June Bates;

B) The transfer on July 9, 2004 of 126.83 acres in Lewis County to Deanna June Bates;

C) The transfer on July 9, 2004 of 7.91 acres in Lewis County to Deanna June Bates;

D) The October 12, 2004 transfer from Sentinel Services Corporation of 47.55 acres in Lewis and Hickman Counties to himself as trustee of the Bates Family Trust; and

E) The October 12, 2004 transfer from Sentinel Services Corporation of 127.99 acres in Lewis County to himself as trustee of the Bates Family Trust.

Order entered on April 7, 2010 at pp. 15-16.¹

On Wednesday, April 28, 2010, undersigned counsel was contacted by the Hickman County Clerk and Master's Office with the question of whether, and if so, when any lien lis pendens had been filed in relation to the 205 Bastin Road house. Undersigned counsel replied that one had been recorded in conjunction with the filing of this action and asked why. Undersigned counsel was told that a title search person was asking to see any such document in relation to title work because that property was going to be sold in the near future. Undersigned counsel e-mailed to the Hickman County Clerk and Master's Office a copy of the lien lis pendens on the 205 Bastin Road property that had been issued by the Lewis County Clerk and Master's Office on May 17, 2005 and

¹ The Court also instructed undersigned counsel to submit a proposed order implementing the finding of fraudulent transfer, including legal property descriptions and current lien status on all properties. Title checks have only recently been received by undersigned counsel as to the fraudulently conveyed property and the proposed implementation order is being drafted and will be submitted to the Court in the near future.

which had been filed with the Lewis County Register of Deeds on May 18, 2005.² See Verification of J. Graham Matherne at end of this filing.

Undersigned counsel then proceeded (yesterday, April 28, 2010) to contact the title search person who verified that she was working title on the 205 Bastin Road property in relation to an upcoming sale. She did not disclose who her client was (but it is presumed to be the anticipated purchaser or the property), but said that she would pass word onto her client that undersigned counsel would like to speak with that person or company. See Verification of J. Graham Matherne at end of this filing.

This morning (April 29, 2010), undersigned counsel has spoken with a representative/in-house lawyer for the closing/escrow and title company that was to assist in the closing of the sale of the 205 Bastin Road property. The real estate contract for the sale of that property was entered into by both Danny Bates and Deanna June Bates, was entered into the closing/escrow and title company's system on April 26, 2010 and was set to close tomorrow Friday, April 30, 2010. The representative/in-house attorney for that closing/escrow and title company said that his company would not be involved in the closing until all orders relating to the matter were final and all liens were addressed and released. See Verification of J. Graham Matherne at end of this filing.

Deanna June Bates, as titled owner of the 205 Bastin Road house, has taken an active and knowing role in whatever efforts have been undertaken to attempt to sell the 205 Bastin Road house. Plaintiffs further assert that Danny Bates is actively and

² As the Court is aware, pursuant to Court Order, the case files of this case and the Sentinel Trust Receivership Action -- a huge volume of filings -- were transferred from the Lewis County Clerk and Master's Office to the Hickman County Clerk and Master's Office. Because it would be easier for undersigned counsel to send a copy of a May 2005 filing, as opposed to having Clerk and Master's Office personnel dig through the files for it, undersigned counsel offered to send that May 17, 2005 lien lis pendens document.

knowingly involved in whatever efforts have been undertaken to attempt to sell the 205 Bastin Road house.

As noted above, since May 18, 2005, a lien lis pendens has been recorded in the Lewis County Register of Deeds Office regarding the 205 Bastin Road property. See Exhibit A. On April 9, 2010, lien lis pendens were recorded in the Lewis County Register of Deeds Office and the Hickman County Register of Deeds Office (as applicable) regarding all the other properties which the Court found to be fraudulently transferred in its April 7, 2010 Order. See Collective Exhibit B.

III. Argument

There is compelling evidence that Danny Bates and/or Ms. Bates are attempting to sell the 205 Bastin Road property. Because of the emergency nature of this filing, that evidence is presented through verification of the facts set forth herein, but Plaintiffs welcome the opportunity to obtain and present to the Court further evidence, including documents from the Bates as well as documents from the title searcher's client, relating to this matter.

Hopefully, the existence of lien lis pendens on all the properties found to have been fraudulently transferred will prevent a reputable, above-board transfer or placement of encumbrance on any of those properties. The critical concern of Plaintiffs -- and it is not one of merely chasing fears -- is that Danny Bates and Ms. Bates could transfer, encumber, promise or pledge any or all of these properties to someone unsophisticated of nature or otherwise ignorant of the surrounding circumstances who could, in turn, claim "good faith" purchaser status/bona fide purchaser status. Any such situation would further cloud title and create difficulties for the Plaintiffs in relation to moving forward in this matter and executing against all of those fraudulently conveyed properties.

Plaintiffs cannot predict what Danny Bates and Ms. Bates' explanation will be in relation to this attempt to sell the 205 Bastin Road property "out from under" this Court's Order finding that the property had been fraudulently transferred. But whatever their explanation, they have shown themselves willing to be involved in actions contrary to the spirit of the Court's April 7, 2010 Order. They have shown themselves willing to further transfer or encumber property which they fraudulently conveyed and which should be made available to pay Danny Bates' criminal restitution, the civil judgment against Danny Bates, or both.

IV. Relief Requested

Accordingly, Plaintiffs move the Court to order the following:

- 1) Danny Bates and Deanna June Bates are prohibited (either as individuals or in any other capacity -- e.g., trustee of the Bates Family Trust) from taking any action (directly or indirectly) or assisting in any fashion (directly or indirectly) in transferring, selling, disposing or further encumbering any of the properties set forth in the Court's April 7, 2010 Order as having been fraudulently transferred;
- 2) Danny Bates and Deanna June Bates (as well as any agent acting on their individual or joint behalves) are to immediately provide to Plaintiffs' counsel all documents which evidence, refer to or relate to any attempt, on or after April 7, 2010, by them (directly or indirectly) to sell, transfer, dispose, convey, or encumber any (or any portion of any) property referenced in the Court's April 7, 2010 order as having been fraudulent transferred; and
- 3) Any party can further petition the Court for further relief and/or modification of such order upon proper filing made and notice given to all effected parties.


V. Attempt to Give Notice of Filing

In conjunction with the sending of this Motion from undersigned counsel's office, undersigned counsel will call Danny Bates and inform him of this filing (leaving message, if necessary) and will attempt to fax a copy of this filing to him.

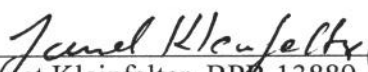
VI. Conclusion

For the reasons set forth herein, Plaintiffs' request the immediate issuance of an order providing for the requested relief.

Respectfully submitted,



J. Graham Matherne, BPR 11294
WYATT, TARRANT & COMBS, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
Telephone: 615.244.0020
Facsimile: 615.256.1726
Counsel for Receiver of Sentinel Trust
Company



Janet Kleinfelter, BPR 13889
Office of the Tennessee Attorney General
425 5th Avenue North
Nashville, Tennessee 37243
Telephone: 615.741.7403
Facsimile: 615.532.8223
Counsel for Commissioner-in-Possession of
Sentinel Trust Company

Verification

I, J. Graham Matherne, do hereby verify that the facts set forth in the "Relevant Facts" section of this filing are true and correct.

J. Graham Matherne
J. Graham Matherne

Sworn to and subscribed before me this
29th day of April, 2010.

Mari-Jo M. Casey
Notary Public

My Commission Expires: 7/24/2010



CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served upon the following, via U.S. Mail and by Federal Express as noted, on this the 29th day of April, 2010.

David D. Peluso
P.O. Box 250
Hohenwald, TN 38462-0250

Gary O'Brien
163 Shady Lane
Hohenwald, TN 38463

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114

Danny Bates
205 Bastin Road
Hohenwald, TN 38462
(Via Federal Express
and First Class Mail)

Larry Stewart
Adams and Reese/Stokes Bartholomew
424 Church Street, Suite 2800
Nashville, TN 37219

Deanna June Bates
205 Bastin Road
Hohenwald, TN 38462

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

Clifton Todd Bates
312 Bastin Road
Hohenwald, TN 38462



J. Graham Matherne